

LINE OF CREDIT

TO BE WRITTEN ON BANK LETTERHEAD
(May be used to supplement Working Capital)

DATE

TO: CONTRACTOR LICENSEE NAME (Individual, Corporation, Partnership or LLC)
Address
City, State and Zip

Dear Contractor:

You have requested of (Name of Lending Institution) to establish a line of credit which will be available to (Contractor's Name as to be on License) for use in conducting the contracting business for which a license is being sought from the State of Tennessee Board for Licensing Contractors.

We hereby establish a line of credit for these purposes in the amount of \$(Dollar Amount), which will be maintained for a period of one year from the date of license issuance, subject to no adverse change in your financial condition.

As a condition of this arrangement, it is our understanding you will inform us and the Board for Licensing Contractors of any significant change(s) in your financial condition during the term of this commitment.

We the undersigned will endeavor to notify the Board for Licensing Contractors should we become aware of any significant change(s) in financial conditions of the above named applicant.

The undersigned hereby agrees to notify the Board for Licensing Contractors should we withdraw and/or eliminate the above named applicant's credit line.

By
Name/Title

SAMPLE LETTER -- FOR BANK USE ONLY

Instructions

- To increase the working capital, a contractor may take this **SAMPLE** form to their bank
- The line of credit (LOC) does not increase the net worth
- If a contractor's working capital is negative, only 50% of the LOC's value is applied
- The LOC is for the contractor's use and may be utilized at any time by the contractor
- This format's exact wording must be used in order for the Board to consider accepting
- Original LOC document must be submitted; copies are not acceptable
- Name on LOC must be in the **EXACT NAME** as to be licensed and as on financial statement